

SENATE RECORD VOTE ANALYSIS

106th Congress
1st Session

Vote No. 234

July 30, 1999, 9:46 a.m.
Page S-9890 Temp. Record

TAXPAYER REFUND ACT/Higher Taxes, More Medicare Spending

SUBJECT: Taxpayer Refund Act of 1999 . . . S. 1429. Kerry motion to waive the Budget Act for the consideration of the Kerry motion to recommit with instructions.

ACTION: MOTION REJECTED, 50-50

SYNOPSIS: As reported, S. 1429, the Taxpayer Refund Act of 1999, will give back to the American people \$792 billion of the \$3.3 trillion in surplus taxes that the Congressional Budget Office (CBO) has projected that the Federal Government will collect over the next 10 years. The projection is based on assumptions of 2.4-percent average annual growth in the economy, no growth in discretionary spending after 2002, and entitlement spending growth as required under current law. Approximately \$1.9 trillion of the surpluses will be Social Security surpluses (Republicans have been attempting to defeat a Democratic filibuster of a proposal to protect those surpluses from being spent; see vote Nos. 90, 96, 166, 170, 193, and 211). After protecting the Social Security surpluses and providing tax relief of \$792 billion, \$505 billion will remain for additional spending or debt reduction. The average growth rate over the past 50 years has been 3.4 percent. The current growth rate is around 4 percent. If the 3.4-percent average rate is maintained for the next 10 years, then (using the CBO rule-of-thumb chart from Appendix C of the January 1999 Economic and Budget Outlook) the surplus will be roughly \$4.9 trillion, not \$3.3 trillion. Key tax relief provisions include that the bottom tax rate will be lowered to 14 percent and expanded (providing \$297.5 billion in tax relief over 10 years) and the tax burden on families will be cut (providing \$221.7 billion in tax relief). Tax relief will also be given to encourage saving for retirement, to make education and health care more affordable, to lower death taxes, and to lower taxes on small businesses.

The Kerry motion to recommit with instructions would instruct the Finance Committee to report the bill back within 3 days with an amendment "to reserve \$20 billion over 10 years for relief from the unintended consequences of the Balanced Budget Act on teaching hospitals, skilled nursing facilities, home health care providers, rural and other community hospitals, and other health care providers, by reducing or deferring certain new tax breaks in the bill."

All votes after vote No. 233 were on amendments or motions that were made after all debate time had expired. However, 2

(See other side)

YEAS (50)		NAYS (50)		NOT VOTING (0)	
Republicans (7 or 13%)	Democrats (43 or 96%)	Republicans (48 or 87%)	Democrats (2 or 4%)	Republicans (0)	Democrats (0)
Abraham	Akaka	Allard	Hutchinson		
Chafee	Baucus	Ashcroft	Inhofe		
Collins	Bayh	Bennett	Jeffords		
Frist	Biden	Bond	Kyl		
Hutchison	Bingaman	Brownback	Lott		
Snowe	Boxer	Bunning	Lugar		
Specter	Breaux	Burns	Mack		
	Bryan	Campbell	McCain		
	Byrd	Cochran	McConnell		
	Cleland	Coverdell	Murkowski		
	Conrad	Craig	Nickles		
	Daschle	Crapo	Roberts		
	Dodd	DeWine	Roth		
	Dorgan	Domenici	Santorum		
	Durbin	Enzi	Sessions		
	Edwards	Fitzgerald	Shelby		
	Feingold	Gorton	Smith, Bob (I)		
	Feinstein	Gramm	Smith, Gordon		
	Harkin	Grams	Stevens		
	Hollings	Grassley	Thomas		
	Inouye	Gregg	Thompson		
	Johnson	Hagel	Thurmond		
		Hatch	Voinovich		
		Helms	Warner		

EXPLANATION OF ABSENCE:
 1—Official Business
 2—Necessarily Absent
 3—Illness
 4—Other

SYMBOLS:
 AY—Announced Yea
 AN—Announced Nay
 PY—Paired Yea
 PN—Paired Nay

minutes of debate were allowed before each vote by unanimous consent, some statements were inserted in the record, and some amendments and motions were debated prior to being offered or made. After debate, Senator Roth raised a point of order that the motion violated section 305(b)(2) of the Budget Act. Senator Kerry then moved to waive the Budget Act for the consideration of the motion. Generally, those favoring the motion to waive favored the motion to recommit; those opposing the motion to waive opposed the motion to recommit.

NOTE: A three-fifths majority (60) vote of the Senate is required to waive the Budget Act. After the failure of the motion to waive, the point of order was upheld and the motion to recommit thus fell.

Those favoring the motion to waive contended:

When Congress passed the Balanced Budget Act a couple of years ago it made changes to Medicare that it estimated would save approximately \$103 billion. Unfortunately, the way those changes have been implemented, coupled with the way they have worked with the managed care process, some \$205 billion in cuts have been made. We estimate that it would take \$20 billion to fix this problem. Therefore, with this motion, we would reduce the tax relief in this bill for rich people by \$20 billion in order to help elderly Americans obtain needed health care. We urge Senators to support the motion to waive.

Those opposing the motion to waive contended:

Our colleagues are absolutely right that there are severe problems with the way that some of the Balanced Budget Act's Medicare provisions are being implemented. The Finance Committee has already held three hearings this year on that specific issue. It is working on putting together a comprehensive Medicare reform package that will address Balanced Budget Act problems as well as a swath of equally important Medicare issues. Passing this tax-relief bill will in no way hinder the Finance Committee's reform efforts. We do not need to deny any of the tax relief in this bill in order to be able to afford Medicare reform. The Budget Resolution that Congress passed earlier this year already set up a \$90 billion reserve fund for Medicare, there will be \$505 billion in surplus funds over and above the surpluses that will be refunded by this bill that will be available for Medicare reform, and (though it may seem like a really radical idea to our liberal colleagues) other Federal spending could even be cut in order to pay for Medicare reform. The final point that needs to be made is that the Kerry amendment has come up with a fairly high estimate of the amount needed to fix the Medicare problems being caused by the Balanced Budget Act. President Clinton, in his budget, said that only \$7.5 billion would be needed over 10 years. The Kerry motion, in the end, is just another effort to try to cut the tax refund and to increase total Government spending. We oppose that effort, so we oppose this motion.